

# HOUSE . . . . . No. 1047

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## The Commonwealth of Massachusetts

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PRESENTED BY:

**Joyce A. Spiliotis**  
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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

**An Act Applying Mandate Review to Regulatory Agencies.**

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PETITION OF:

NAME:

Joyce A. Spiliotis

DISTRICT/ADDRESS:

12th Essex

# The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

## AN ACT APPLYING MANDATE REVIEW TO REGULATORY AGENCIES.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

Chapter 118G of the General Laws is hereby amended by inserting the following new section:  
Section 40 - Review and evaluation of regulatory changes on health insurance  
Section 40 (a) For the purposes of this section, a mandated health benefit is a statutory or regulatory requirement that mandates health insurance coverage for specific health services, specific diseases or certain providers of health care services as part of a policy or policies of group life and accidental death and dismemberment insurance covering persons in the service of the commonwealth, and group general or blanket insurance providing hospital, surgical, medical, dental, and other health insurance benefits covering persons in the service of the commonwealth, and their dependents organized under chapter 32A, individual or group health insurance policies offered by an insurer licensed or otherwise authorized to transact accident or health insurance organized under chapter 175, a nonprofit hospital service corporation organized under chapter 176A, a nonprofit medical service corporation organized under chapter 176B, a health maintenance organization organized under chapter 176G, or an organization entering into a preferred provider arrangement under chapter 176I, any health plan issued, renewed, or delivered within or without the commonwealth to a natural person who is a resident of the commonwealth, including a certificate issued to an eligible natural person which evidences coverage under a policy or contract issued to a trust or association for said natural person and his dependent, including said person's spouse organized under chapter 176M.

(b) Joint committees of the general court and the house and senate committees on ways and means when reporting favorably on mandated health benefits bills referred to them shall include a review and evaluation conducted by the division of health care finance and policy pursuant to this section.

(c) Upon request of a joint standing committee of the general court having jurisdiction or the committee on ways and means of either branch, the division of health care finance and policy

25 shall conduct a review and evaluation of the mandated health benefit proposal, in consultation  
26 with other relevant state agencies, and shall report to the committee within 90 days of the  
27 request. If the division of health care finance and policy fails to report to the appropriate  
28 committee within 45 days, said committee may report favorably on the mandated health benefit  
29 bill without including a review and evaluation from the division.

30 (d) Any state agency or any board created by statute, including but not limited to the Board of  
31 the Commonwealth Connector, the Department of Health, the Division of Medical Assistance  
32 and the Division of Insurance that proposes to add a mandated health benefit by rule, bulletin or  
33 other guidance must request that a review and evaluation of that proposed mandated health  
34 benefit be conducted by the division of health care finance and policy pursuant to this section.  
35 The report on the mandated health benefit by the division of health care finance and policy must  
36 be received by the agency or board and available to the public at least 30 days prior to any public  
37 hearing on the proposal. If the division of health care finance and policy fails to report to the  
38 agency or board within 45 days of the request, said agency or board may proceed with a public  
39 hearing on the mandated health benefit proposal without including a review and evaluation from  
40 the division.

41 (e) Any party or organization on whose behalf the mandated health benefit was proposed shall  
42 provide the division of health care finance and policy with any cost or utilization data that they  
43 have. All interested parties supporting or opposing the proposal shall provide the division of  
44 health care finance and policy with any information relevant to the division's review. The  
45 division shall enter into interagency agreements as necessary with the division of medical  
46 assistance, the group insurance commission, the department of public health, the division of  
47 insurance, and other state agencies holding utilization and cost data relevant to the division's  
48 review under this section. Such interagency agreements shall ensure that the data shared under  
49 the agreements is used solely in connection with the division's review under this section, and that  
50 the confidentiality of any personal data is protected. The division of health care finance and  
51 policy may also request data from insurers licensed or otherwise authorized to transact accident  
52 or health insurance under chapter 175, nonprofit hospital service corporations organized under  
53 chapter 176A, nonprofit medical service corporations organized under chapter 176B, health  
54 maintenance organizations organized under chapter 176G, and their industry organizations to  
55 complete its analyses. The division of health care finance and policy may contract with an  
56 actuary, or economist as necessary to complete its analysis. The report shall include, at a  
57 minimum and to the extent that information is available, the following:

58 (1) the financial impact of mandating the benefit, including the extent to which the proposed  
59 insurance coverage would increase or decrease the cost of the treatment or service over the next  
60 5 years, the extent to which the proposed coverage might increase the appropriate or  
61 inappropriate use of the treatment or service over the next 5 years, the extent to which the  
62 mandated treatment or service might serve as an alternative for more expensive or less expensive  
63 treatment or service, the extent to which the insurance coverage may affect the number and types  
64 of providers of the mandated treatment or service over the next 5 years, the effects of mandating

65 the benefit on the cost of health care, particularly the premium, administrative expenses and  
66 indirect costs of municipalities, large employers, small employers, employees and nongroup  
67 purchasers, the potential benefits and savings to municipalities, large employers, small  
68 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost  
69 shifting between private and public payors of health care coverage, the cost to health care  
70 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed  
71 treatment and the effect on the overall cost of the health care delivery system in the  
72 commonwealth;

73 (2) the medical efficacy of mandating the benefit, including the impact of the benefit to the  
74 quality of patient care and the health status of the population and the results of any research  
75 demonstrating the medical efficacy of the treatment or service compared to alternative treatments  
76 or services or not providing the treatment or service; and

77 (3) if the proposal seeks to mandate coverage of an additional class of practitioners, the results of  
78 any professionally acceptable research demonstrating the medical results achieved by the  
79 additional class of practitioners relative to those already covered and the methods of the  
80 appropriate professional organization that assures clinical proficiency.